

HOUSE BILL No. 1382

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-18.5-1; IC 22-4.1-21; IC 22-4.5-9-4.

Synopsis: Proprietary educational institutions; training report. Transfers from the state workforce innovation council to the department of workforce development the accreditation of postsecondary proprietary educational institutions. Changes, from November 1 to December 1, the submission date for the Indiana career council's annual training report.

Effective: Upon passage.

Smaltz

January 13, 2016, read first time and referred to Committee on Education.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1382

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-18.5-1-3, AS AMENDED BY P.L.69-2015,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. ~~After June 30, 2012~~, Any reference to the
4 Indiana commission for postsecondary proprietary education or the
5 Indiana commission on proprietary education in any statute or rule
6 shall be treated: ~~as a reference to the:~~

7 (1) **after June 30, 2012, as a reference to the** board for
8 proprietary education established by IC 21-18.5-5-1 if the
9 reference pertains to a postsecondary credit bearing proprietary
10 educational institution; or

11 (2) ~~state workforce innovation council established by~~
12 ~~IC 22-4.1-22-3~~ if the reference pertains to a postsecondary
13 proprietary educational institution (as defined in IC 22-4.1-21-9):

14 (A) **after June 30, 2012, and before July 1, 2016, as a**
15 **reference to the state workforce innovation council**
16 **established by IC 22-4.1-22-3; or**

17 **(B) after June 30, 2016, as a reference to the department of**



workforce development established by IC 22-4.1-2-1.

SECTION 2. IC 21-18.5-1-4, AS AMENDED BY P.L.69-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Changes made by P.L.218-1987 do not affect:

- (1) rights or liabilities accrued;
- (2) penalties incurred;
- (3) crimes committed; or
- (4) proceedings begun;

before July 1, 1987. These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced under prior law as if P.L.218-1987 had not been enacted.

(b) The abolishment of the Indiana commission on proprietary education on July 1, 2012, by P.L.107-2012 does not affect:

- (1) rights or liabilities accrued;
- (2) penalties incurred;
- (3) crimes committed; or
- (4) proceedings begun;

before July 1, 2012, that pertain to a postsecondary credit bearing proprietary educational institution. These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the board for proprietary education established by IC 21-18.5-5-1.

(c) The abolishment of the Indiana commission on proprietary education on July 1, 2012, by P.L.107-2012 does not affect:

- (1) rights or liabilities accrued;
- (2) penalties incurred;
- (3) crimes committed; or
- (4) proceedings begun;

before July 1, 2012, that pertain to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9). **After June 30, 2012, and before July 1, 2016**, these rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the state workforce innovation council established under IC 22-4.1-22-3. **After June 30, 2016, these rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the department of workforce development established by IC 22-4.1-2-1.**

SECTION 3. IC 21-18.5-1-5, AS AMENDED BY P.L.69-2015, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The Indiana commission on proprietary education is abolished on July 1, 2012.

(b) Unless otherwise specified in a memorandum of understanding



described in subsection (e), the following are transferred on July 1, 2012, from the Indiana commission on proprietary education to the commission for higher education established by IC 21-18-2-1:

(1) All real and personal property of the Indiana commission on proprietary education.

(2) All assets and liabilities of the Indiana commission on proprietary education.

(3) All appropriations to the Indiana commission on proprietary education.

(c) All powers and duties of the Indiana commission on proprietary education before its abolishment pertaining to the accreditation of a postsecondary credit bearing proprietary educational institution are transferred to the board for proprietary education established by IC 21-18.5-5-1.

(d) All powers and duties of the Indiana commission on proprietary education before its abolishment pertaining to the accreditation of a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9) are transferred to the state workforce innovation council established by IC 22-4.1-22-3. **After June 30, 2016, all powers and duties transferred to the state workforce innovation council by this subsection are transferred to the department of workforce development established by IC 22-4.1-2-1.**

(e) The commission for higher education established by IC 21-18-2-1 may enter into a memorandum of understanding with the state workforce innovation council established by IC 22-4.1-22-3 to implement the transition of the responsibilities and obligations of the Indiana commission on proprietary education before its abolishment to the commission for higher education and the state workforce innovation council. **After June 30, 2016, the rights, powers, duties, and obligations of the state workforce innovation council under a memorandum of understanding entered into by the state workforce innovation council under this subsection are transferred to the department of workforce development established by IC 22-4.1-2-1.**

(f) Rules that were adopted by the Indiana commission on proprietary education before July 1, 2012, shall be treated as though the rules were adopted by the state workforce innovation council established by IC 22-4.1-22-3 until the state workforce innovation council or the department of workforce development adopts rules under IC 4-22-2 to implement IC 22-4.1-21. **Rules that were adopted by the state workforce innovation council after June 30, 2012, and before July 1, 2016, to implement IC 22-4.1-21 shall be treated as though**



1 the rules were adopted by the department of workforce
 2 development until the department of workforce development
 3 adopts rules under IC 4-22-2 to implement IC 22-4.1-22.

4 (g) An accreditation granted or a permit issued under IC 21-17-3
 5 **(repealed)** by the Indiana commission on proprietary education before
 6 July 1, 2012, shall be treated after June 30, 2012, as an authorization
 7 granted by the:

8 (1) board for proprietary education established by IC 21-18.5-5-1
 9 if the accreditation pertains to a postsecondary credit bearing
 10 proprietary educational institution (as defined in
 11 IC 21-18.5-2-12); or

12 (2) department of workforce development if the accreditation
 13 pertains to a postsecondary proprietary educational institution (as
 14 defined in IC 22-4.1-21-9).

15 (h) An accreditation granted or a permit issued before May 15,
 16 2013, under IC 21-17-3 (repealed):

17 (1) by the board for proprietary education established by
 18 IC 21-18.5-5-1 shall be treated as an authorization granted by the
 19 board for proprietary education; and

20 (2) by the state workforce innovation council shall be treated as
 21 an authorization granted by the department of workforce
 22 development.

23 (i) Proceedings pending before the Indiana commission on
 24 proprietary education on July 1, 2012, shall be transferred from the
 25 Indiana commission on proprietary education to:

26 (1) the board for proprietary education established by
 27 IC 21-18.5-5-1 for a proceeding pertaining to a postsecondary
 28 credit bearing proprietary educational institution (as defined in
 29 IC 21-18.5-2-12); or

30 (2) the state workforce innovation council if the proceeding
 31 pertains to a postsecondary proprietary educational institution (as
 32 defined in IC 22-4.1-21-9).

33 **(j) Proceedings that pertain to a postsecondary proprietary**
 34 **educational institution (as defined in IC 22-4.1-21-9) pending**
 35 **before the state workforce innovation council on July 1, 2012, shall**
 36 **be transferred from the state workforce innovation council to the**
 37 **department of workforce development established by**
 38 **IC 22-4.1-2-1.**

39 SECTION 4. IC 22-4.1-21-2, AS ADDED BY P.L.107-2012,
 40 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 2. As used in this chapter, "accreditation"
 42 means certification of a status of approval or authorization by the



~~council~~ **department** to conduct business as a postsecondary proprietary educational institution.

SECTION 5. IC 22-4.1-21-4, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "agent's permit" means a nontransferable written authorization issued to a person by the ~~council~~ **department** to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

SECTION 6. IC 22-4.1-21-5, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter, "application" means a written request for accreditation or an agent's permit on forms supplied by the ~~council~~ **department**.

SECTION 7. IC 22-4.1-21-10, AS AMENDED BY P.L.273-2013, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The office for career and technical schools is established to carry out the responsibilities of the ~~council~~ **department** under this chapter.

(b) The ~~council~~ **department** may employ and fix compensation for necessary administrative staff. ~~with the approval of the department.~~

(c) The department may adopt reasonable rules under IC 4-22-2, **including emergency rules in the manner provided under IC 4-22-2-37.1**, to implement this chapter.

(d) ~~The council may adopt and use a seal; the description of which shall be filed with the office of the secretary of state, and which may be used for the authentication of the acts of the council.~~

SECTION 8. IC 22-4.1-21-13, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. Applications for accreditation under this chapter must be filed with the ~~council~~ **department** and accompanied by an application fee of at least one hundred dollars (\$100) for processing the application and evaluating the postsecondary proprietary educational institution.

SECTION 9. IC 22-4.1-21-15, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) This section is subject to section 16 of this chapter.

(b) An application for accreditation under this chapter must include a surety bond in a penal sum determined under section 16 of this chapter. The bond must be executed by the applicant as principal and by a surety company qualified and authorized to do business in Indiana



as a surety or cash bond company.

(c) The surety bond must be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of the application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(d) A surety on a bond may be released after the surety has made a written notice of the release directed to the **council department** at least thirty (30) days before the release. However, a surety may not be released from the bond unless all sureties on the bond are released.

(e) A surety bond covers the period of the accreditation.

(f) Accreditation under this chapter shall be suspended if a postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section 16 of this chapter. The **council department** shall notify the postsecondary proprietary educational institution in writing at least ten (10) days before the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

SECTION 10. IC 22-4.1-21-16, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Subject to subsections (b), (d), and (e), the **council department** shall determine the penal sum of each surety bond required under section 15 of this chapter based upon the following guidelines:

(1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of twenty-five thousand dollars (\$25,000).

(2) If at any time the postsecondary proprietary educational institution's projected annual gross tuition charges are more than



two hundred fifty thousand dollars (\$250,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000).

(b) After June 30, 2006, and except as provided in:

(1) section 19 of this chapter; and

(2) subsection (e);

and upon the fund achieving at least an initial one million dollar (\$1,000,000) balance, a postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(c) The ~~council~~ **department** shall determine the number of quarterly contributions required for the fund to initially accumulate one million dollars (\$1,000,000).

(d) Except as provided in section 19 of this chapter and subsection (e), a postsecondary proprietary educational institution that begins making contributions to the fund after the initial quarterly contribution as required under this chapter is required to make contributions to the fund for the same number of quarters as determined by the ~~council~~ **department** under subsection (c).

(e) If, after the fund acquires one million dollars (\$1,000,000), the balance in the fund becomes less than five hundred thousand dollars (\$500,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described in subsection (b) or (d) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate one million dollars (\$1,000,000).

SECTION 11. IC 22-4.1-21-17, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. The ~~council~~ **department** shall require each postsecondary proprietary educational institution to include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the ~~council~~ **department** under this chapter.

(2) The ~~council's~~ **department's** mailing address and telephone number.

SECTION 12. IC 22-4.1-21-18, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The student assurance fund is established to provide indemnification to a student or an enrollee of a



postsecondary proprietary educational institution who suffers loss or damage as a result of an occurrence described in section 15(c) of this chapter if the occurrence transpired after June 30, 1992, and as provided in section 35 of this chapter.

(b) The ~~council~~ **department** shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for reimbursements allowed under this chapter.

(f) Upon the fund acquiring fifty thousand dollars (\$50,000), the balance in the fund must not become less than fifty thousand dollars (\$50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars (\$50,000); and

(2) the ~~council~~ **department** determines that the student is eligible for a reimbursement under the fund;

the ~~council~~ **department** shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars (\$50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The ~~council~~ **department** shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

SECTION 13. IC 22-4.1-21-19, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Subject to section 16 of this chapter, each postsecondary proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned



during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars (\$60).

(c) Notwithstanding section 16 of this chapter, for a postsecondary proprietary educational institution beginning operation after September 30, 2004, the ~~council~~, **department**, in addition to requiring contributions to the fund, shall require the postsecondary proprietary educational institution to submit a surety bond in an amount determined by the ~~council~~ **department** for a period that represents the number of quarters required for the fund to initially accumulate one million dollars (\$1,000,000) as determined under section 16(c) of this chapter.

SECTION 14. IC 22-4.1-21-20, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) Upon receipt of an application for accreditation under this chapter, the ~~council~~ **department** shall make an investigation to determine the accuracy of the statements in the application to determine if the postsecondary proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the ~~council~~ **department** may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

SECTION 15. IC 22-4.1-21-22, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) A postsecondary proprietary educational institution shall maintain at least the following records for each student:

- (1) The program in which the student enrolls.
- (2) The length of the program.
- (3) The date of the student's initial enrollment in the program.
- (4) The student's period of attendance.
- (5) The amount of the student's tuition and fees.
- (6) A copy of the enrollment agreement.

(b) Upon the request of the ~~council~~, **department**, a postsecondary proprietary educational institution shall submit the records described in subsection (a) to the ~~council~~, **department**.

(c) If a postsecondary proprietary educational institution ceases operation, the postsecondary proprietary educational institution shall submit the records described in subsection (a) to the ~~council~~



1 **department** not later than thirty (30) days after the institution ceases
2 to operate.

3 SECTION 16. IC 22-4.1-21-23, AS ADDED BY P.L.107-2012,
4 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 23. Full accreditation under this chapter may
6 not be issued unless and until the ~~council~~ **department** finds that the
7 postsecondary proprietary educational institution meets minimum
8 standards that are appropriate to that type or class of postsecondary
9 proprietary educational institution, including the following minimum
10 standards:

11 (1) The postsecondary proprietary educational institution has a
12 sound financial structure with sufficient resources for continued
13 support.

14 (2) The postsecondary proprietary educational institution has
15 satisfactory training or educational facilities with sufficient tools,
16 supplies, or equipment and the necessary number of work stations
17 or classrooms to adequately train, instruct, or educate the number
18 of students enrolled or proposed to be enrolled.

19 (3) The postsecondary proprietary educational institution has an
20 adequate number of qualified instructors or teachers, sufficiently
21 trained by experience or education, to give the instruction,
22 education, or training contemplated.

23 (4) The advertising and representations made on behalf of the
24 postsecondary proprietary educational institution to prospective
25 students are truthful and free from misrepresentation or fraud.

26 (5) The charge made for the training, instruction, or education is
27 clearly stated and based upon the services rendered.

28 (6) The premises and conditions under which the students work
29 and study are sanitary, healthful, and safe according to modern
30 standards.

31 (7) The postsecondary proprietary educational institution has and
32 follows a refund policy approved by the ~~council~~ **department**.

33 (8) The owner or chief administrator of the postsecondary
34 proprietary educational institution has not been convicted of a
35 felony.

36 (9) The owner or chief administrator of the postsecondary
37 proprietary educational institution has not been the owner or chief
38 administrator of a postsecondary proprietary educational
39 institution that has had its accreditation revoked or has been
40 closed involuntarily in the five (5) year period preceding the
41 application for accreditation. However, if the owner or chief
42 administrator of the postsecondary proprietary educational



1 institution has been the owner or chief administrator of a
 2 postsecondary proprietary educational institution that has had its
 3 accreditation revoked or has been closed involuntarily more than
 4 five (5) years before the application for accreditation, the ~~council~~
 5 **department** may issue full accreditation at the ~~council's~~
 6 **department's** discretion.

7 SECTION 17. IC 22-4.1-21-24, AS ADDED BY P.L.107-2012,
 8 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 24. (a) After an investigation and a finding
 10 that the information in the application is true and the postsecondary
 11 proprietary educational institution meets the minimum standards, the
 12 ~~council department~~ shall issue an accreditation to the postsecondary
 13 proprietary educational institution upon payment of an additional fee
 14 of at least twenty-five dollars (\$25).

15 (b) The ~~council department~~ may waive inspection of a
 16 postsecondary proprietary educational institution that has been
 17 accredited by an accrediting unit whose standards are approved by the
 18 ~~council department~~ as meeting or exceeding the requirements of this
 19 chapter.

20 (c) A valid license, approval to operate, or other form of
 21 accreditation issued to a postsecondary proprietary educational
 22 institution by another state may be accepted, instead of inspection, if:

23 (1) the requirements of that state meet or exceed the requirements
 24 of this chapter; and

25 (2) the other state will, in turn, extend reciprocity to
 26 postsecondary proprietary educational institutions accredited by
 27 the ~~council department~~.

28 (d) An accreditation issued under this section expires one (1) year
 29 following the accreditation's issuance.

30 (e) An accredited postsecondary proprietary educational institution
 31 may renew the institution's accreditation annually upon:

32 (1) the payment of a fee of at least twenty-five dollars (\$25); and

33 (2) continued compliance with this chapter.

34 SECTION 18. IC 22-4.1-21-25, AS ADDED BY P.L.107-2012,
 35 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 25. Accreditation under this chapter may be
 37 revoked by the ~~council department~~:

38 (1) for cause upon notice and an opportunity for a ~~council~~
 39 **department** hearing; and

40 (2) for the accredited postsecondary proprietary educational
 41 institution failing to make the appropriate quarterly contributions
 42 to the fund not later than forty-five (45) days after the end of a



quarter.

SECTION 19. IC 22-4.1-21-26, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) A postsecondary proprietary educational institution, after notification that the institution's accreditation has been refused, revoked, or suspended, may apply for a hearing before **an administrative law judge of the council department** concerning the institution's qualifications. The application for a hearing must be filed in writing with the **council department** not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

(b) The **council department** shall give a hearing promptly and with not less than ten (10) days notice of the date, time, and place. The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue. **The hearing shall be conducted in the manner provided under IC 4-21.5-3.**

(c) Not more than fifteen (15) days after a hearing, the **council administrative law judge** shall make written findings of fact, a written decision, and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.

(d) **Not more than fifteen (15) days after the issuance of a written order by the administrative law judge under subsection (c), any party adversely affected by the order may file an objection to the order in writing with the commissioner and request that the commissioner review the order. The party must identify the basis of the objection with reasonable particularity. Not later than thirty (30) days after the objection is filed with the commissioner, the commissioner shall issue a final order affirming, modifying, or dissolving the administrative law judge's order. The commissioner may remand the matter, with or without instructions, to the administrative law judge for further proceedings.**

(e) **In the absence of an objection under subsection (d), the commissioner shall affirm the administrative law judge's order.**

(f) **The commissioner is the ultimate authority (as defined by IC 4-21.5-1-15) for the department.**

SECTION 20. IC 22-4.1-21-29, AS ADDED BY P.L.107-2012, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) A person representing a postsecondary proprietary educational institution doing business in Indiana by offering courses may not sell a course or solicit students for the



1 institution unless the person first secures an agent's permit from the
 2 ~~council~~ **department**. If the agent represents more than one (1)
 3 postsecondary proprietary educational institution, a separate agent's
 4 permit must be obtained for each institution that the agent represents.

5 (b) Upon approval of an agent's permit, the ~~council~~ **department**
 6 shall issue a pocket card to the person that includes:

7 (1) the person's name and address;

8 (2) the name and address of the postsecondary proprietary
 9 educational institution that the person represents; and

10 (3) a statement certifying that the person whose name appears on
 11 the card is an authorized agent of the postsecondary proprietary
 12 educational institution.

13 (c) The application must be accompanied by a fee of at least ten
 14 dollars (\$10).

15 (d) An agent's permit is valid for one (1) year from the date of its
 16 issue. An application for renewal must be accompanied by a fee of at
 17 least ten dollars (\$10).

18 (e) A postsecondary proprietary educational institution is liable for
 19 the actions of the institution's agents.

20 SECTION 21. IC 22-4.1-21-30, AS ADDED BY P.L.107-2012,
 21 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 30. (a) An application for an agent's permit
 23 must be granted or denied by the ~~council~~ **department** not more than
 24 fifteen (15) working days after the receipt of the application. If the
 25 ~~council~~ **department** has not completed a determination with respect to
 26 the issuance of a permit under this section within the fifteen (15)
 27 working day period, the ~~council~~ **department** shall issue a temporary
 28 permit to the applicant. The temporary permit is sufficient to meet the
 29 requirements of this chapter until a determination is made on the
 30 application.

31 (b) A permit issued under this chapter may, upon ten (10) days
 32 notice and after a hearing, be revoked by the ~~council~~ **department**:

33 (1) if the holder of the permit solicits or enrolls students through
 34 fraud, deception, or misrepresentation; or

35 (2) upon a finding that the permit holder is not of good moral
 36 character.

37 SECTION 22. IC 22-4.1-21-34, AS ADDED BY P.L.107-2012,
 38 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 34. (a) This section applies to claims against
 40 the surety bond of a postsecondary proprietary educational institution.

41 (b) A student who believes that the student is suffering loss or
 42 damage resulting from any of the occurrences described in section



1 15(c) of this chapter may request the ~~council~~ **department** to file a
 2 claim against the surety of the postsecondary proprietary educational
 3 institution or agent.

4 (c) The request must state the grounds for the claim and must
 5 include material substantiating the claim.

6 (d) The ~~council~~ **department** shall investigate all claims submitted
 7 to the ~~council~~ **department** and attempt to resolve the claims
 8 informally. If the ~~council~~ **department** determines that a claim is valid,
 9 and an informal resolution cannot be made, the ~~council~~ **department**
 10 shall submit a formal claim to the surety.

11 (e) A claim against the surety bond may not be filed by the ~~council~~
 12 **department** unless the student's request under subsection (b) is
 13 commenced not more than five (5) years after the date on which the
 14 loss or damage occurred.

15 (f) If the amount of the surety bond is insufficient to cover all or part
 16 of the claim, a claim for the balance of the claim against the surety
 17 bond in the amount that is insufficient must be construed to be a claim
 18 against the balance of the fund under section 35 of this chapter.

19 SECTION 23. IC 22-4.1-21-35, AS ADDED BY P.L.107-2012,
 20 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 35. (a) This section applies:

22 (1) to claims against the balance of the fund; and

23 (2) in cases in which a student or an enrollee of a postsecondary
 24 proprietary educational institution is protected by both a surety
 25 bond and the balance of the fund, only after a claim against the
 26 surety bond exceeds the amount of the surety bond.

27 (b) A student or an enrollee of a postsecondary proprietary
 28 educational institution who believes that the student or enrollee has
 29 suffered loss or damage resulting from any of the occurrences
 30 described in section 15(c) of this chapter may request the ~~council~~
 31 **department** to file a claim with the ~~council~~ **department** against the
 32 balance of the fund. If there is a surety bond in an amount sufficient to
 33 cover a claim or part of a claim under this section, a claim against the
 34 balance of the fund must be construed to be a claim against the surety
 35 bond first to the extent that the amount of the surety bond exists and the
 36 balance of the claim may be filed against the balance of the fund.

37 (c) A claim under this section is limited to a refund of the claimant's
 38 applicable tuition and fees.

39 (d) All claims must be filed not later than five (5) years after the
 40 occurrence that results in the loss or damage to the claimant.

41 (e) Upon the filing of a claim under this section, the ~~council~~
 42 **department** shall review the records submitted by the appropriate



1 postsecondary proprietary educational institution described under
 2 section 22 of this chapter and shall investigate the claim and attempt to
 3 resolve the claim as described in section 34(d) of this chapter.

4 (f) Upon a determination by the ~~council~~ **department** that a claimant
 5 shall be reimbursed under the fund, the ~~council~~ **department** shall
 6 prioritize the reimbursements under the following guidelines:

- 7 (1) A student's educational loan balances.
- 8 (2) Federal grant repayment obligations of the student.
- 9 (3) Other expenses paid directly by the student.

10 SECTION 24. IC 22-4.1-21-36, AS ADDED BY P.L.107-2012,
 11 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 36. The prosecuting attorney of the county in
 13 which an offense under this chapter occurred shall, at the request of the
 14 ~~council~~ **department** or on the prosecuting attorney's own motion, bring
 15 any appropriate action, including a mandatory and prohibitive
 16 injunction.

17 SECTION 25. IC 22-4.1-21-37, AS ADDED BY P.L.107-2012,
 18 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 37. An action of the ~~council~~ **department**
 20 concerning the issuance, denial, or revocation of a permit or
 21 accreditation under this chapter is subject to review under IC 4-21.5.

22 SECTION 26. IC 22-4.1-21-39, AS ADDED BY P.L.107-2012,
 23 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 39. (a) The proprietary educational institution
 25 accreditation fund is established.

26 (b) The proprietary educational institution accreditation fund shall
 27 be administered by the ~~council~~ **department**.

28 (c) Money in the proprietary educational institution accreditation
 29 fund at the end of a state fiscal year does not revert to the general fund.

30 (d) All fees collected by the ~~council~~ **department** under this chapter
 31 shall be deposited in the proprietary educational institution
 32 accreditation fund.

33 (e) Money in the proprietary educational institution accreditation
 34 fund shall be used by the ~~council~~ **department** to administer this
 35 chapter.

36 SECTION 27. IC 22-4.5-9-4, AS AMENDED BY THE
 37 TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL
 38 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 4. (a) The council shall do all of the
 40 following:

- 41 (1) Provide coordination to align the various participants in the
 42 state's education, job skills development, and career training



1 system.

2 (2) Match the education and skills training provided by the state's
3 education, job skills development, and career training system with
4 the currently existing and future needs of the state's job market.

5 (3) In addition to the department's annual report provided under
6 ~~IC 22-4.5-9-4~~, **IC 22-4.1-4-8**, submit ~~not later than August 1,~~
7 ~~2013, and~~ not later than ~~November~~ **December** 1 each year
8 ~~thereafter~~, to the legislative council in an electronic format under
9 IC 5-14-6 an inventory of current job and career training activities
10 conducted by:

11 (A) state and local agencies; and

12 (B) whenever the information is readily available, private
13 groups, associations, and other participants in the state's
14 education, job skills development, and career training system.

15 The inventory must provide at least the information listed in
16 ~~IC 22-4.1-9-4(a)(1)~~ **IC 22-4.1-4-8(a)(1)** through
17 ~~IC 22-4.1-9-4(a)(5)~~ **IC 22-4.1-4-8(a)(5)** for each activity in the
18 inventory.

19 (4) Submit, not later than July 1, 2014, to the legislative council
20 in an electronic format under IC 5-14-6 a strategic plan to
21 improve the state's education, job skills development, and career
22 training system. The council shall submit, not later than
23 December 1, 2013, to the legislative council in an electronic
24 format under IC 5-14-6 a progress report concerning the
25 development of the strategic plan. The strategic plan developed
26 under this subdivision must include at least the following:

27 (A) Proposed changes, including recommended legislation and
28 rules, to increase coordination, data sharing, and
29 communication among the state, local, and private agencies,
30 groups, and associations that are involved in education, job
31 skills development, and career training.

32 (B) Proposed changes to make Indiana a leader in employment
33 opportunities related to the fields of science, technology,
34 engineering, and mathematics (commonly known as STEM).

35 (C) Proposed changes to address both:

36 (i) the shortage of qualified workers for current employment
37 opportunities; and

38 (ii) the shortage of employment opportunities for individuals
39 with a baccalaureate or more advanced degree.

40 (5) Complete, not later than August 1, 2014, a return on
41 investment and utilization study of career and technical education
42 programs in Indiana. The study conducted under this subdivision



1 must include at least the following:

2 (A) An examination of Indiana's career and technical
3 education programs to determine:

4 (i) the use of the programs; and

5 (ii) the impact of the programs on college and career
6 readiness, employment, and economic opportunity.

7 (B) A survey of the use of secondary, college, and university
8 facilities, equipment, and faculty by career and technical
9 education programs.

10 (C) Recommendations concerning how career and technical
11 education programs:

12 (i) give a preference for courses leading to employment in
13 high wage, high demand jobs; and

14 (ii) add performance based funding to ensure greater
15 competitiveness among program providers and to increase
16 completion of industry recognized credentials and dual
17 credit courses that lead directly to employment or
18 postsecondary study.

19 (6) Coordinate the performance of its duties under this chapter
20 with the Indiana works councils established by IC 20-19-6-4.

21 (b) In performing its duties, the council shall obtain input from the
22 following:

23 (1) Indiana employers and employer organizations.

24 (2) Public and private institutions of higher education.

25 (3) Regional and local economic development organizations.

26 (4) Indiana labor organizations.

27 (5) Individuals with expertise in career and technical education.

28 (6) Military and veterans organizations.

29 (7) Organizations representing women, African-Americans,
30 Latinos, and other significant minority populations and having an
31 interest in issues of particular concern to these populations.

32 (8) Individuals and organizations with expertise in the logistics
33 industry.

34 (9) Any other person or organization that a majority of the voting
35 members of the council determines has information that is
36 important for the council to consider.

37 **SECTION 28. An emergency is declared for this act.**

